

U.S. v. Edward S. Adams
Case No. 17-64 (DWF/KMM)

Exhibit 39

R:DL (Personal/Confidential)

October 12, 2007

Jill,

For now, I wanted to write and thank you personally for facilitating the sale of warrants/shares held by members of my family, me, and others. Being able to diversify after such a long journey is extremely helpful. I know you know that because you did the same for your brother David.

Second, I want to again point out the mechanics of the transaction (just like the previous one -- it is identical, virtually). Warrant holders/shareholders in Apollo Diamond -- the core -- will be selling warrants/shares that will be exercised by the buyer. So, the company, Apollo, will get the modest exercise price (although, if they are cashless, it will not get that) either in cash or other consideration (service) and the seller will get the difference -- i.e. exercise price of \$.05 to company and seller gets \$ 5.50. You will get 10% commission in warrants/shares from sellers. Make sure you have no issues with ~~the~~ compliance on this front.

Third, as in the past, DL Investments, LLC will act as the "seller intermediary" again on advice of Eric Madison & Robins. This does three things: (1) provides limited liability protection for the sellers; (2) serves as a place to balance state blue-sky sellers and buyers to comply with exemptions; and (3) further reminds buyers that they are buying from selling warrant/share owners, not Apollo (thus reducing Apollo's dilution).

To verify, you should have the informed summary of transaction and purchase/exercise agreement to provide to buyers.

Call with question or ask your dad. There is much going on and we are making progress with the sub strategy with an eye toward spin-outs in five years. Overish that little one!

Thanks,
Ed

EDWARD SCOTT ADAMS

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